Department of State

TELEGRAM

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C O N F I D E N T I A L STATE 302439

E.O. 11652: GDS

TAGS: TECH, ENRG, KS

SUBJECT: KOREAN NUCLEAR POWER PLANTS SEVEN AND EIGHT: DIPLOMATIC NOTE ON USG FUEL-SUPPLY INTENTIONS

REFS: (A) STATE 300047, (B) SEOUL 10603. 489-744

YOU ARE REQUESTED TO DELIVER THE FOLLOWING FIRST-PERSON DIPLOMATIC NOTE TO THE MOFA. IF YOU BELIEVE IT IS APPROPRIATE, YOU MAY INFORM KECO BOARD MEMBERSHIP PRIOR TO THEIR 1 DECEMBER MEETING THAT NOTE HAS BEEN DELIVERED.

BEGIN TEXT

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EXCELLENCY:

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY LB DATE 8/3/82
RDS☐or XDS☐EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
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I HAVE THE HONOR TO REFER TO DISCUSSIONS HELD IN WASHINGTON ON 20 NOVEMBER, 1978, BETWEEN PRESIDENT KIM OF THE KOREAN ELECTRIC POWER COMPANY (KECO) AND UNDER SECRETARY MYERS OF THE U.S. DEPARTMENT OF ENERGY. THESE DISCUSSIONS CONCERNED THE STATUS OF KECO'S PLANS TO ACQUIRE NUCLEAR POWER UNITS SEVEN AND EIGHT, AS WELL AS THE INTENTION OF THE UNITED STATES GOVERNMENT TO REMAIN A STABLE AND RELIABLE SUPPLIER OF NUCLEAR FUELS TO KOREA. IN THIS REGARD, I HAVE BEEN AUTHORIZED BY MY GOVERNMENT TO OFFER THE FOLLOWING ASSURANCES:

1. THE UNITED STATES HAS THE PHYSICAL RESOURCES NECESSARY TO MEET KOREA'S ANTICIPATED ENRICHED URANIUM FUEL NEED AND INTENDS TO REMAIN A STABLE AND ATTRACTIVE SUPPLIER OF NUCLEAR FUEL TO THE REPUBLIC OF KOREA.

2. ALTHOUGH ARTICLE III OF THE U.S.-KOREAN AGREEMENT FOR COOPERATION LIMITS THE AMOUNT OF SEPARATIVE WORK THAT THE U.S. CAN SUPPLY TO THE SUPPORT OF NUCLEAR POWER REACTORS HAVING A TOTAL INSTALLED CAPACITY OF FIVE THOUSAND (5,000) MWE, THE UNITED STATES IS PREPARED TO CONCLUDE PROMPTLY A NEW AGREEMENT WITH THE KOREAN GOVERNMENT, CONSISTENT WITH THE REQUIREMENTS OF THE U.S. NUCLEAR NON-PROLIFERATION ACT OF 1978, TO PROVIDE ADDITIONAL FLEXIBILITY IN TERMS OF U.S. FUEL SUPPLY TO MEET THE ANTICIPATED FUTURE NEEDS OF THE KOREAN PROGRAM. IF THE NEGOTIATIONS WITH THE KOREAN GOVERNMENT MOVE FORWARD PROMPTLY, THE NEW AGREEMENT COULD BE BROUGHT INTO FORCE EARLY NEXT YEAR, SUBJECT, OF COURSE, TO COMPLETION OF THE REQUISITE PROCEDURAL REQUIREMENTS ON BOTH SIDES INCLUDING U.S. PRESIDENTIAL APPROVAL AND CONGRES-

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SIONAL REVIEW.

3. THERE IS NO IMPEDIMENT UNDER THE CURRENT AGREEMENT TO OUR NOW ENTERING INTO NEW ENRICHMENT SERVICES CONTRACTS OR AGREEING TO THE ASSIGNMENT OF EXISTING CONTRACTS THAT WILL MEET ALL OF THE ANTICIPATED FUEL NEEDS OF UNIT SEVEN. MOREOVER, WE CAN, AND ARE PREPARED TO, ENTER INTO NEW CONTRACTS OR AGREE TO THE ASSIGNMENT OF EXISTING CONTRACTS TO MEET THE NEEDS OF UNITS EIGHT, NINE AND TEN, WITH THE CONDITION THAT

DELIVERIES UNDER THESE CONTRACTS FOR THE LAST 115 MWE OF UNIT EIGHT AND ALL DELIVERIES FOR UNITS NINE AND TEN ARE CONTINGENT ON ENTRY INTO FORCE OF A NEW AGREEMENT FOR COOPERATION.

THE US IS PLEASED TO BE CONTRIBUTING TO KOREA'S PEACEFUL NUCLEAR DEVELOPMENT, PARTICULARLY IN VIEW OF ITS SUPPORT FOR INTERNATIONAL NON-PROLIFERATION EFFORTS. THIS SUPPORT IS MANIFEST IN PART THROUGH KOREA'S ADHERENCE TO THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS AND ITS PARTICIPATION IN THE INTERNATIONAL NUCLEAR FUEL CYCLE EVALUATION.

MY GOVERNMENT STANDS READY TO ASSIST KOREA IN ACHIEVING ITS NUCLEAR POWER OBJECTIVES AND I TRUST THAT THE FORE-GOING WILL PROVIDE THE NECESSARY ASSURANCES TO ENABLE KOREA TO MAKE APPROPRIATE DECISIONS WITH RESPECT TO ITS NUCLEAR POWER PROJECTS.

ACCEPT, EXCELLENCY, THE RENEWED ASSURANCE OF MY HIGHEST CONSIDERATION. END TEST. VANCE

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